

Center Parcs Spa Division Holdings Limited

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## **Financial statements**

53 weeks ended 28 April 2011

# **Center Parcs Spa Division Holdings Limited**

**Annual report and financial statements**

**For the 53 weeks ended 28 April 2011**

**Company registration number: 5268258**

THURSDAY



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## Financial statements

53 weeks ended 28 April 2011

Contents	Page
Directors' report	1
Independent auditors' report to the members	3
Income Statement	5
Statement of Changes in Equity	6
Balance Sheet	7
Notes to the financial statements	8

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## **Directors' report**

### **For the 53 weeks ended 28 April 2011**

The Directors present their report and audited financial statements for the 53 weeks ended 28 April 2011 (2010 52 weeks ended 22 April 2010) which have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

The registration number of the Company is 5268258

#### **Principal activities**

The Company's principal activity is that of an investment company

#### **Business review**

The Company did not trade during the current or prior period, its only income coming from investments in loan notes in a fellow group company

The principal risks and uncertainties of the Company are integrated with the principal risks of the Forest Holdco Limited Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the Business review of the Forest Holdco Limited Annual Report which does not form part of this report

#### **Key performance indicators and financial risk management**

The key performance indicators (KPIs), and financial risk management of the Company are integrated with those of the Forest Holdco Limited Group and are not assessed separately. An analysis of the KPIs of the Group, which include those of the Company, together with the Group's financial risk exposure, and the management objectives and policies thereon, is presented within the Business review of the Forest Holdco Limited Annual Report which does not form part of this report

#### **Results and dividends**

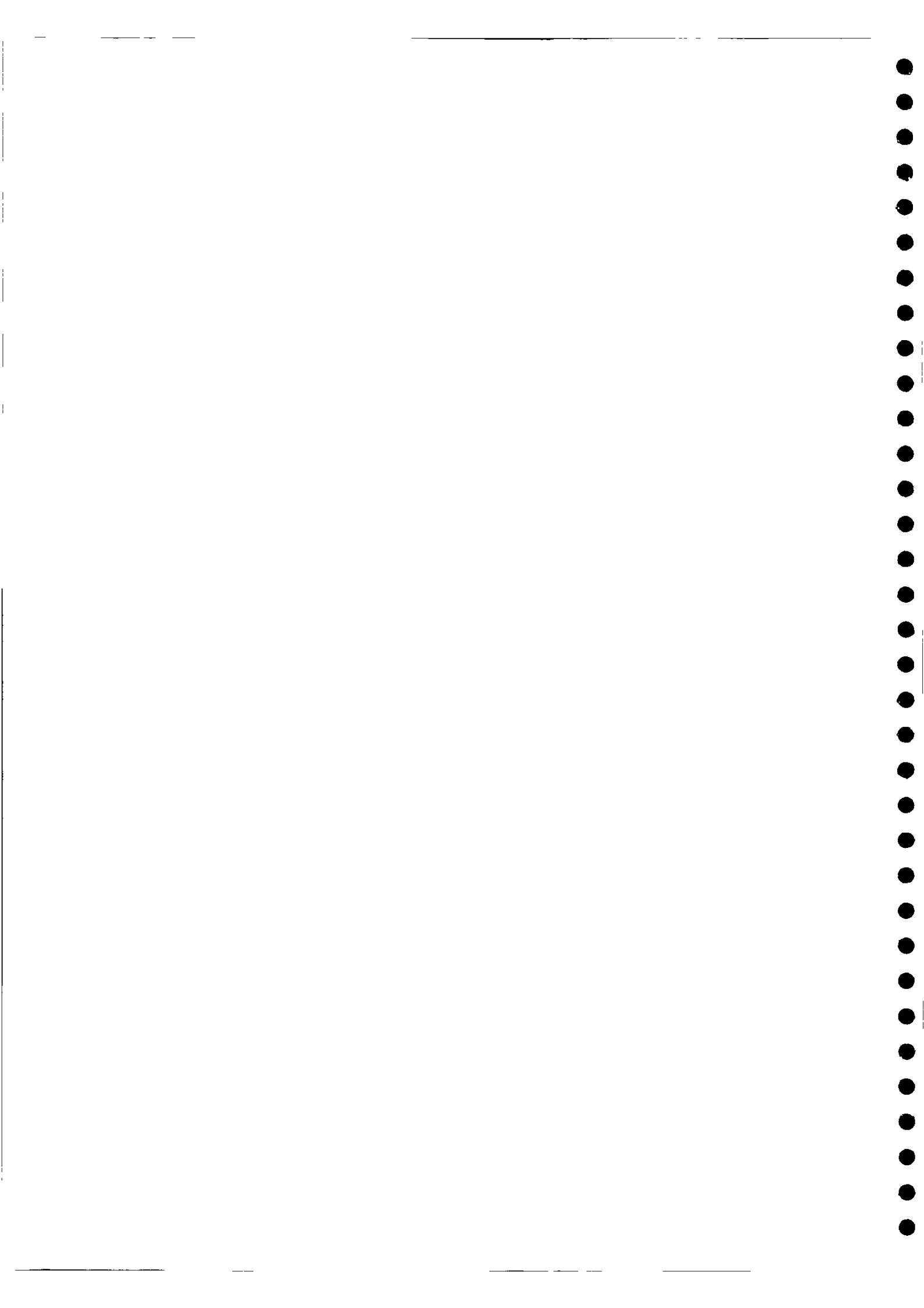
The results of the Company for the period show a profit of £4,000 (2010 profit of £5,000). The Directors have not recommended the payment of a dividend (2010 £nil)

#### **Directors**

The Directors who served the Company during the period and up to the date of this report were as follows

A M Robinson  
M P Dalby

During the period, the Company had in place Directors' and officers' insurance



## **Directors' report**

### **For the 53 weeks ended 28 April 2011 (continued)**

#### **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement of disclosure of information to auditors**

In accordance with Section 418, in the case of each Director in office at the date the Directors' report is approved, the following applies:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent auditors**

A resolution proposing the reappointment of PricewaterhouseCoopers LLP will be put to the Annual General Meeting.

By order of the board

  
M P Dalby  
Director  
13 October 2011

# **Independent auditors' report to the members of Center Parcs Spa Division Holdings Limited**

We have audited the financial statements of Center Parcs Spa Division Holdings Limited for the period ended 28 April 2011 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

## **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 28 April 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

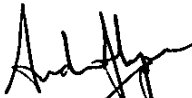
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Center Parcs Spa Division Holdings Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Andrew Lyon BSc FCA (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands

13 October 2011



## Income Statement

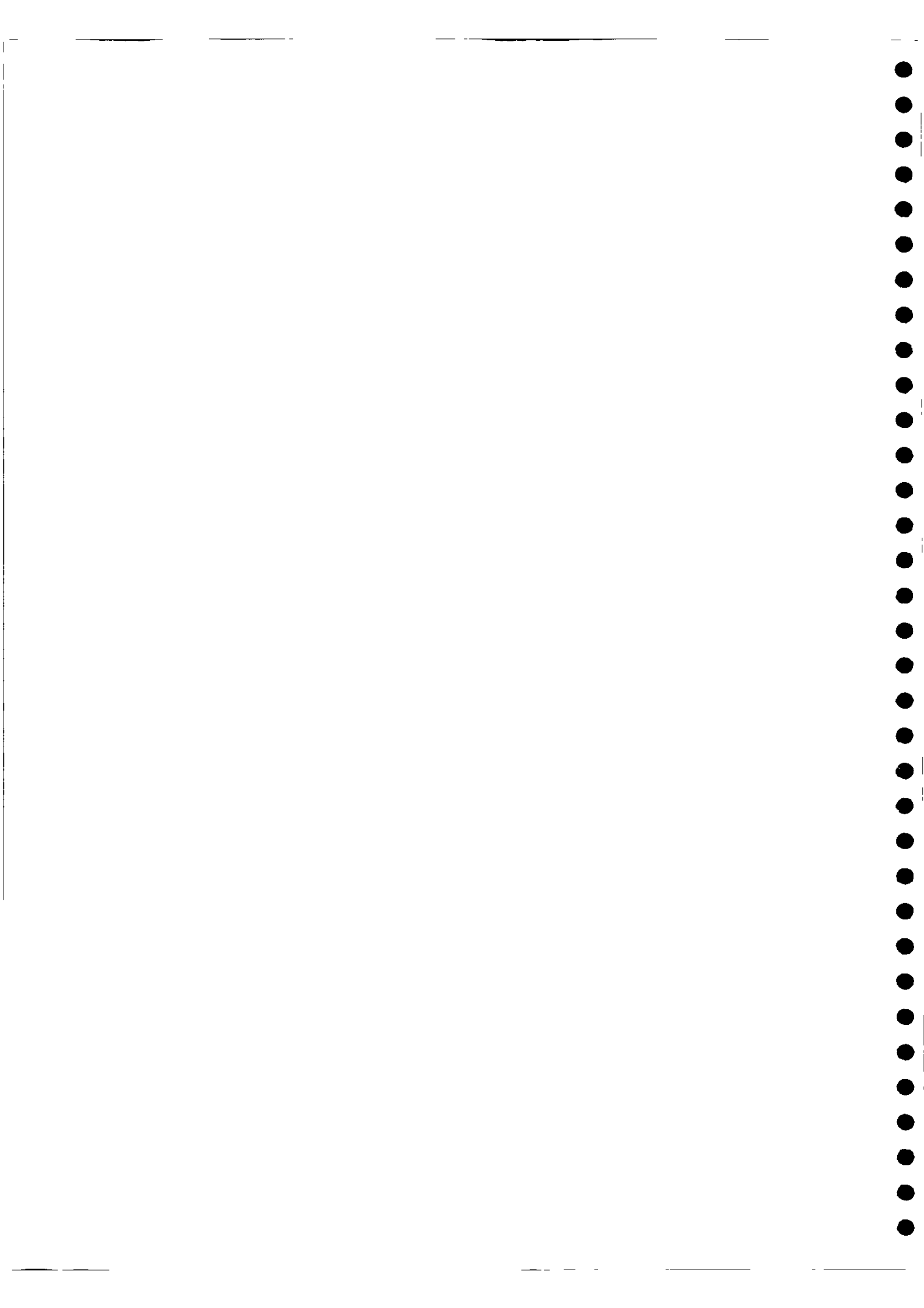
for the 53 weeks ended 28 April 2011

	Note	53 weeks ended 28 April 2011 £'000	52 weeks ended 22 April 2010 £'000
Operating profit	2	-	-
Finance income	4	4	5
<b>Profit before taxation</b>		<b>4</b>	<b>5</b>
Taxation	5	-	-
<b>Profit for the period attributable to equity shareholders</b>	9	<b>4</b>	<b>5</b>

All amounts relate to continuing activities

The Company has no recognised income or expenses other than the profit for the period above and so no Statement of Comprehensive Income is presented

The notes on pages 8 to 13 form part of these financial statements



## Statement of Changes in Equity

for the 53 weeks ended 28 April 2011

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 22 April 2010	800	(759)	41
<b>Comprehensive income</b>			
Profit for the period	-	4	4
<b>At 28 April 2011</b>	<b>800</b>	<b>(755)</b>	<b>45</b>

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 23 April 2009	800	(764)	36
<b>Comprehensive income</b>			
Profit for the period	-	5	5
<b>At 22 April 2010</b>	<b>800</b>	<b>(759)</b>	<b>41</b>

The notes on pages 8 to 13 form part of these financial statements

## Balance Sheet

At 28 April 2011

	Note	28 April 2011 £'000	22 April 2010 £'000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	6	237	233
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	(192)	(192)
<b>Net current assets</b>		<b>45</b>	<b>41</b>
<b>Net assets</b>		<b>45</b>	<b>41</b>
<b>Equity</b>			
Ordinary shares	8	800	800
Retained earnings	9	(755)	(759)
<b>Total equity</b>		<b>45</b>	<b>41</b>

The financial statements on pages 5 to 13 were approved by the board of Directors on 13 October 2011 and were signed on its behalf by

  
M P Dalby  
Director

The notes on pages 8 to 13 form part of these financial statements

## Notes to the financial statements

for the 53 weeks ended 28 April 2011

### 1. Accounting policies

#### General information

The Company is a limited company, which is incorporated and domiciled in the UK. The address of its registered office is One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.

#### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies are consistent with the prior period.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The accounts of Center Parcs Spa Division Holdings Limited are typically drawn up to the Thursday nearest to its accounting reference date of 22 April.

#### Cash Flow Statement

The Company had no cash flows during the current or prior period and hence no Cash Flow Statement has been presented.

#### Key assumptions and significant judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### Financial instruments

The Company classifies its financial instruments into two categories: Financial assets at fair value through profit and loss, and loans and receivables. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

## **Notes to the financial statements**

for the 53 weeks ended 28 April 2011 (continued)

### **1. Accounting policies (continued)**

#### **Financial assets**

The cost of investments, including loans to associated companies, is their purchase cost together with any incremental costs of acquisition

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In deciding whether an impairment is required, the Directors consider the underlying value inherent in the investment. Provision is made against the cost of investments where, in the opinion of the Directors, there is an impairment in the value of the individual investment.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Dividend distribution**

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

#### **Current and deferred tax**

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle on a net basis.

## Notes to the financial statements

for the 53 weeks ended 28 April 2011 (continued)

### 1. Accounting policies (continued)

#### New standards and interpretations

During the financial period, the Company adopted the revision to IFRS 3 'Business Combinations' which changes the accounting for business combinations, and the consequential amendments to IAS 27, 28 and 31. These changes include the expensing of all acquisition-related costs, and recording all payments to purchase a business at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. There is no impact on the Company's financial statements. Other standards and interpretations effective for the first time in the current period have had no impact on the Company's financial statements.

The adoption of IFRS 9 'Financial Instruments' is expected to change the disclosure given in respect of financial instruments but not the amounts reported in the financial statements. In addition, the International Accounting Standards Board and IFRIC have issued a number of further standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

### 2. Operating profit

Auditors' remuneration of £125,000 (2010: £125,000) is included within the financial statements of Center Parcs (Operating Company) Limited, a fellow Group undertaking. This includes £500 (2010: £500) in respect of Center Parcs Spa Division Holdings Limited.

### 3. Employees

The Company has no employees other than the Directors (2010: nil). No salaries or wages have been paid to employees, including the Directors, during the period (2010: £nil).

### 4. Finance income

	53 weeks ended 28 April 2011 £'000	52 weeks ended 22 April 2010 £'000
Interest receivable from Group undertakings	4	5

Interest receivable is in respect of interest on loan notes receivable from Center Parcs (Operating Company) Limited. These loan notes accrue interest at LIBOR + 1.22%.

## Notes to the financial statements

for the 53 weeks ended 28 April 2011 (continued)

### 5. Taxation

#### (a) Taxation

The tax charge for the period is £nil (2010 £nil)

#### (b) Factors affecting the tax charge:

The tax assessed for the period is lower (2010 lower) than that resulting from applying the standard rate of corporation tax in the UK of 28% (2010 28%) The difference is reconciled below

	53 weeks ended 28 April 2011 £'000	52 weeks ended 22 April 2010 £'000
<b>Profit before taxation</b>	<b>4</b>	<b>5</b>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 28% active (2010 28%)	<b>1</b>	<b>1</b>
Group relief not paid for	<b>(1)</b>	<b>(1)</b>
Tax charge for the period (note 5(a))	-	-

There is no deferred tax, either recognised or unrecognised (2010 £nil)

#### Change of corporation tax rate and factors that may affect future tax charges

The Finance Act 2010 reduced the main rate of corporation tax from 28% to 27% with effect from 1 April 2011 The March 2011 UK Budget statement announced a further reduction to 26% which was enacted on 29 March 2011 These changes were substantively enacted at the balance sheet date and hence are reflected in these financial statements

In addition to the changes in rates of corporation tax disclosed above a number of further changes to the UK corporation tax system were announced in the March 2011 UK Budget statement Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

### 6. Trade and other receivables

	2011 £'000	2010 £'000
Amounts owed by Group undertakings	<b>237</b>	<b>233</b>

The amounts owed by Group undertakings represent loan notes of £200,000 due from Center Parcs (Operating Company) Limited and related accrued interest These loan notes are unsecured and repayable on demand The loan notes accrue interest at LIBOR + 1.22% and interest of £4,000 (2010 £5,000) was receivable during the period An interest movement of one percentage point would affect the Company's interest receivable by approximately £2,000 per annum

Amounts owed by Group undertakings are categorised as loans and receivables The fair value of trade and other receivables are equal to their book value



## Notes to the financial statements

for the 53 weeks ended 28 April 2011 (continued)

### 7. Trade and other payables

	2011 £'000	2010 £'000
Amounts owed to Group undertakings	154	154
Accruals	38	38
	192	192

Amounts owed to Group undertakings are interest-free, unsecured and repayable on demand

The fair value of trade and other payables are equal to their book value

### 8. Share capital

	2011 £'000	2010 £'000
<b>Allotted and fully paid</b>		
800,000 Ordinary shares of £1 each	800	800

#### *Management of capital*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or borrow additional debt

Certain Directors purchased shares in the group companies CP Cayman Limited and CP Cayman Topco Limited in November 2006 and continue to hold these shares. The shares have variable rights to entitlement which increase over a five year period

### 9. Retained earnings

	£'000
At 22 April 2010	(759)
Profit for the period	4
<b>At 28 April 2011</b>	<b>(755)</b>

	£'000
At 23 April 2009	(764)
Profit for the period	5
<b>At 22 April 2010</b>	<b>(759)</b>

## Notes to the financial statements

for the 53 weeks ended 28 April 2011 (continued)

### 10. Related party transactions

The following movements on accounts with fellow Group companies occurred in the periods reported in these financial statements

	Balance at 22 April 2010 £'000	Movement in 53 weeks £'000	Balance at 28 April 2011 £'000
Center Parcs (Operating Company) Limited	79	4	83

	Balance at 23 April 2009 £'000	Movement in 52 weeks £'000	Balance at 22 April 2010 £'000
Center Parcs (Operating Company) Limited	74	5	79

The movement on the Center Parcs (Operating Company) Limited balance represents interest receivable on loan notes

### 11. Ultimate parent company and controlling parties

The immediate parent company is Center Parcs (UK) Group Limited, a company registered in England and Wales. The ultimate parent company is CP Cayman Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling parties are funds advised by The Blackstone Group. The largest and smallest group of which the Company is a member and for which group accounts are drawn up is Forest Holdco Limited.

A copy of the Forest Holdco Limited financial statements can be obtained on application to The Company Secretary, One Edison Rise, New Ollerton, Newark, Nottinghamshire, NG22 9DP.